

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 139158

61

ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 FAA-00 SS-15 NSC-05 L-03 SSO-00

NSCE-00 INRE-00 /046 R

DRAFTED BY EB/AN:AJRIMAS:DAP

APPROVED BY EB/OA:MHSTYLES

CAB - D. LITTON

ARA/EP - F. CORRY

----- 037680

O R 132209Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY LIMA IMMEDIATE

INFO AMEMBASSY SANTIAGO

AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY ASUNCION

AMEMBASSY BOGOTA

LIMITED OFFICIAL USE STATE 139158

E.O. 11652:N/A

TAGS: EAIR, PE

SUBJECT: CIVAIR CONSULTATIONS - JUNE 12 SESSION

1. SECOND SESSION (JUNE 12) OF CIVAIR TALKS RESULTED IN EACH SIDE TABLING SPECIFIC PROPOSALS FOR BRANIFF AND AERO-PERU SCHEDULES.

2. US PROPOSAL WAS AS FOLLOWS: FOR BRANIFF: 15 FREQUENCIES BETWEEN LIMA AND THE US AND 11 FREQUENCIES BEYOND LIMA AS FOLLOWS: 3 LIMA-SANTIAGO; 4 LIMA-LA PAZ; 2 LIMA-ASUNCION; 5 LIMA-BUENOS AIRES; 4 LIMA-SAO PAULO; 4 LIMA-RIO DE JANEIRO. FOR AEROPERU: 7 LIMA-MIAMI; 3 LIMA-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 139158

LOS ANGELES; 3 SANTIAGO-MIAMI; 5 BUENOS AIRES-MIAMI; 3

SAO PAULO-LOS ANGELES; 3 RIO DE JANEIRO-LOS ANGELES; 3 GUAYAQUIL-MIAMI; 3 GUAYAQUIL-LOS ANGELES. USDEL PREFACED ITS PROPOSAL BY POINTING OUT THAT ON BASIS OF US DATA, AEROPERU HAS ADVANTAGE IN 5TH FREEDOM OPERATIONS AND US PROPOSAL WOULD SERVE TO BRING RESPECTIVE AIRLINE BENEFITS INTO BALANCE. USDEL JUSTIFIED LACK OF NEW YORK RIGHTS FOR AEROPERU IN ITS PROPOSAL BY NOTING THAT WHEREAS BRANIFF WOULD ENJOY ADVANTAGE IN NEW YORK TRAFFIC, AEROPERU WOULD BE COMPENSATED BY GREATER VALUE OF ITS 5TH FREEDOM RIGHTS. PERU DELEGATION TERMED US PROPOSAL TO BE INEQUITABLE AND

AGAIN CHALLENGED USDEL'S PREMISE THAT BENEFITS SHOULD BE CALCULATED ON BASIS OF OPPORTUNITIES TO SERVE VARIOUS MARKETS AND INSISTED THAT VALUATION OF BENEFITS BE MEASURED ONLY ON BASIS OF ACTUAL REVENUES EARNED BY AIRLINES DURING PAST PERIODS. AS AN ALTERNATIVE, BERCKEMEYER REPEATEDLY OFFERED TO ELIMINATE ENTIRE QUESTION OF 5TH FREEDOM TRAFFIC VALUATION BY LIMITING US-PERU TRAFFIC FOR BOTH AIRLINES TO 3RD AND 4TH FREEDOM FREQUENCIES. WHILE EXCHANGE OF 5TH FREEDOM TRAFFIC CONSTITUTED A PROBLEM IN TRADING COMMERCIAL VALUES, HE SAID, 3RD AND 4TH FREEDOM TRAFFIC INVOLVED AN EXCHANGE OF RIGHTS WHICH SHOULD BE RECIPROCAL. USDEL EMPHASIZED THAT IT COULD NOT ACCEPT A SEPARATION OF 3RD/4TH FREEDOM RIGHTS FROM 5TH FREEDOM RIGHTS SINCE BOTH ARE IMPORTANT IN MEASURING BENEFITS TO RESPECTIVE AIRLINES. USDEL ADDED THAT IT WAS BREAKING PRECEDENCE AND MAKING MAJOR CONCESSION BY RECOGNIZING FOR PERU THE RIGHT TO CARRY CERTAIN 6TH FREEDOM TRAFFIC. PERU DEL TRIED TO MINIMIZE OUR CLAIM. THEY POINTED OUT THAT US ALSO HAS LARGE BEYOND MARKET - ASIA, EUROPE. IN TURN, USDEL DEMONSTRATED THAT EUROPE-US OR ASIA-US TRAFFIC IRRELEVANT TO PRESENT DISCUSSION BECAUSE OF SMALL VOLUME OF PASSENGERS TRAVELING INTO LATIN AMERICA, AND LARGE NUMBER OF CARRIERS ENGAGED IN TRANSPORTING SUCH BEYOND TRAFFIC, (BRANIFF DOES NOT GO TO ASIA OR EUROPE).

3. PERUVIAN DELEGATION SUGGESTED 3 YEAR AGREEMENT INCORPORATING FOLLOWING SCHEDULE FOR BRANIFF: 15 FLIGHTS BETWEEN LIMA AND US PER OCTOBER 74 PERMIT; OF WHICH 9 FREQUENCIES WOULD OPERATE SOUTH OF LIMA. LATER WOULD BE: LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 139158

2 LIMA-BUENOS AIRES; 2 LIMA-SANTIAGO; 3 LIMA-LA PAZ; 3 LIMA-ASUNCION; 2 LIMA-RIO DE JANEIRO; 2 LIMA-SAO PAULO. FOR AEROPERU, THE SCHEDULE WOULD INCLUDE 10 US FREQUENCIES: 7 BUENOS AIRES-MIAMI; 5 SANTIAGO-MIAMI; 3 GUAYAQUIL-MIAMI; 3 GUAYAQUIL-NEW YORK; 3 SAO PAULO/RIO DE JANEIRO-LOS ANGELES; 3 GUAYAQUIL-LOS ANGELES. IN ADDITION, PERU DEL WOULD ENVISION EVENTUAL INCREASE OF AEROPERU'S US FREQUENCIES TO 15 IN ORDER TO MATCH THOSE OF BRANIFF.

IF COMMERCIAL DEMAND WERE TO PROMPT FURTHER FREQUENCY ADDITIONS, BRANIFF AND AEROPERU WOULD SHARE INCREASES ON ONE-TO-ONE BASIS. ACCORDING TO PERU DEL, THUS PROPOSED SCHEDULE WOULD STILL RESULT IN MORE REVENUES FOR BRANIFF THAN FOR AEROPERU IF COMPUTED ON BASIS AVERAGE PASSENGER LOADS REPORTED BY BRANIFF FOR 1974 AND ON AEROPERU'S PROJECTIONS OF FURTHER PASSENGER LOADS.

4. USDEL EXPRESSED WISH TO STUDY PERUVIAN DATA WE NOTED SOME DISCREPANCIES IN NUMBERS; OBSERVED FACT THAT ESTIMATES OF AEROPERU'S FUTURE SERVICE BASED ON HYPOTHETICAL

PASSENGER LEVELS; AND STRESSED THAT PERU HAS "HIDDEN MARKETS" WHICH ARE BEYOND US OUR CONTROL (SUCH AS TRAFFIC BETWEEN BUENOS AIRES AND US VIA LIMA ON REGIONAL FLIGHTS OF PERUVIAN CARRIERS) BUT THAT US HAS NO "HIDDEN MARKETS" OF CONSEQUENCE THAT WOULD BE BEYOND PERUVIAN SCRUTINY. SUCH PERUVIAN "HIDDEN MARKETS" DIS NOT APPEAR IN PERU DELEGATION'S CALCULATION OF BENEFITS ACCRUING TO RESPECTIVE AIRLINES. IF THEY HAD, USDEL CLAIMED, BALANCE OF BENEFITS WOULD HAVE TO BE IN FAVOR OF AEROPERU.

5. SESSION ADJOURNED WITH BOTH SIDES EXPRESSING WISH TO EXAMINE RESPECTIVE PROPOSALS AND SUPPORTING DATA. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR ROUTES, AIR SCHEDULES, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE139158
Document Source: CORE
Document Unique ID: 00
Drafter: AJRIMAS:DAP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750207-0497
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750651/aaaabuds.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <18 DEC 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR CONSULTATIONS - JUNE 12 SESSION
TAGS: EAIR, PE, BRANIFF AIRLINES, AERO PERU
To: LIMA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006